

BEST COPY

AVAILABLE

JAN 8 1961

PEACE CORPS PLAN GOES TO KENNEDY

Head of Panel Says Youths
Would Volunteer Without
Offer of Draft Exemption

Summary of the housing and
urban report, Page 36

By W. H. LAWRENCE

Special to the New York Times

WASHINGTON, Jan. 7

President-elect John F. Kennedy was told today that a "peace corps" of young Americans to assist under-developed nations could be recruited without an offer of draft exemptions.

A report following up a proposal made by Mr. Kennedy during the campaign was presented to him by Dr. Max Millikan, director of the Center for International Studies at the Massachusetts Institute of Technology.

The President-elect, in a speech at San Francisco on Nov. 2, had suggested that such a "peace corps" could serve abroad as an alternative to the military draft.

Dr. Millikan told reporters that he thought there would be sufficient volunteers to staff the proposed corps "without offering the bait of freedom from the draft." He suggested prompt selection of a few hundred to take part in a pilot operation.

Consolidation Is Urged

Mr. Kennedy was also urged today to combine all Federal housing and urban-development activity in one agency of Cabinet rank.

This proposal was made in a report from Mr. Kennedy's confidential committee on housing and urban development. The new agency, the committee said, should take a highly localized approach to its duties.

His report will be made public on Tuesday.

Before returning to New York, the President-elect discussed the problem of filling key positions in Government with his advisers and received

reports on India, natural resources and urban affairs.

He also completed the selection of the Labor Department's high command. That department thus became the first for which appointments have been made to all the major first, second and third echelon jobs.

Named as Under Secretary of Labor was W. Willard Wirtz of Chicago. He is a law associate of Adlai E. Stevenson, the Democratic Presidential nominee of 1952 and 1956, who was selected by Mr. Kennedy to be United States permanent representative at the United Nations.

Informed sources reported, meanwhile, that Mr. Kennedy had approved the selection of William Bundy to be Deputy Assistant Secretary for Defense

for International Affairs. He is a brother of McGeorge Bundy, named by the President-elect as his special assistant for national security affairs.

William Bundy, a long-time employee of the Central Intelligence Agency, came under attack at one time from the late Senator Joseph R. McCarthy of Wisconsin, but was defended by his superior, Allen W. Dulles, the C. I. A. director.

Mr. Kennedy will spend tomorrow in New York. He will go to Boston on Monday for a meeting of the Harvard Board of Overseers and to address the Massachusetts General Assembly. He will return to New York Monday night.

On Tuesday, he will return to Washington for conferences.

The report on the economic development of India was also submitted to Senator Kennedy by Dr. Millikan, who said it would not be made public.

The preliminary report from his Natural Resources Advisory Committee came from Repre-

sentative Frank Smith, Mississippi Democrat, who is chairman of the group.

Smith said the report would be issued later this month and would outline an "over-all new approach" to natural-resources development, after "eight years of just ignoring" the problem under the Eisenhower Administration.

The other main Labor Department appointments were:

James J. Reynolds of Schnectady, N. Y., Assistant Secretary.

Jerry R. Holleman of Austin, Tex., Assistant Secretary.

George Weaver of Washington, special assistant to Secretary Arthur Goldberg, with the expectation that Mr. Weaver will be named Assistant Secretary when the hold-over, George C. Lodge, resigns in late June.

Held Wartime Post

Esther Peterson of Washington, director of the Women's Bureau and assistant to the Secretary.

Charles Donahue of Maine, departmental solicitor.

Mr. Wirtz, a partner in Stevenson, Rivkin & Wirtz, first saw governmental service

during World War II, first as assistant and general counsel of the Board of Economic Warfare and later with the War Labor Board.

He was chairman of the National League Wage Stabilization Act in the post-war year of 1946, and then went to Northwestern University as a professor of law, he joined the Stevenson firm in 1955.

Mr. Reynolds, a brother of Quentin Reynolds, writer, was a member of the National Labor Relations Board for the six years of the Truman Administration, from 1946 to 1952. Formerly, he was a New York broker. In recent years, he has specialized in industrial relations with such concerns as U. S. Pipe and Foundry Company, the American Locomotive Company, and Alcoa Products, Inc.

Mr. Holleman, an electrician by trade, now is president of the Texas A. F. L.-C. I. O. group, and before that had been executive secretary of the Texas State Federation of Labor. He saw wartime service in the Army Corps of Engineers, both in Italy and in Korea.

STAT